

**DEPARTMENT OF EDUCATION - OFFICE OF FISCAL SERVICES
REQUEST and NOTICE OF EXEMPTION FROM PROCUREMENT**

PART I - REQUEST FOR EXEMPTION FROM PROCUREMENT

1. TO: DOE Chief Procurement Officer (send completed original form to OFS Procurement and Contracts Branch)

FROM: School Food Service Branch
(Name of School or Program)

The school/program named above requests a procurement exemption as follows below.

2. This exemption is requested pursuant to:
☒ § 103D-102(b)(4), HRS and Chapter 3-120, HAR or
☐ § 103F-101(a)(4), HRS and Chapter 3-141, HAR

3. Island/District: ☒ Statewide or
☐ Oahu ☐ Hawaii ☐ Kauai ☐ Maui

4. Description of the proposed purchase (attach additional sheets if necessary):
Indicate one category: ☒ good ☒ service ☐ construction ☐ Health/Human service ☐ professional service
Brief description: Purchase, install and implement eTrition which is a web based enterprise wide management system for school nutrition programs. This purchase includes implementation project management and professional development.

5. Vendor Information
Name: Harris School Solutions
Address: 2540 Warren Drive, Suite A
Rocklin, CA 95677

6. Term of Contract
From: 3/1/2014
To: 3/30/2016

7. Total Cost:
\$2.5 Million

8. Explanation describing how procurement by competitive means is either **not practicable** or **not advantageous** to the State (attach additional sheets if necessary):
See attached.

9. Details of the process or procedure to be followed in selecting the vendor to **ensure maximum fair and open competition** as practicable (attach additional sheets if necessary):

SFSB has researched/evaluated the products, services and feasibility of 2 other vendors, Mealtime and WinSNAP (School Link Technologies) that had been in use by 80 SFSB serving sites prior to their conversion (via bid) to Meal Tracker in SY 2012-13. However, based on the reasons stated in section #8, use of other vendors would not practicable nor advantageous.

10. A description of the school/program internal controls and approval requirements for the exempted procurement (attach additional sheets if necessary): See attached.																							
11. List of school/program personnel who will be involved in the approval process and administration of the contract (attach additional sheets if necessary): <table style="width: 100%; border: none;"> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Name</th> <th style="text-align: left; border-bottom: 1px solid black;">Title</th> <th style="text-align: left; border-bottom: 1px solid black;">Involvement in process</th> </tr> <tr> <td>Glenna Owens</td> <td>Director SFSB</td> <td><input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration</td> </tr> <tr> <td>Dexter Kishida</td> <td>School Food Supervisor</td> <td><input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration</td> </tr> <tr> <td>Lynn Hiratsuka</td> <td>School Food Supervisor</td> <td><input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration</td> </tr> <tr> <td></td> <td></td> <td><input type="checkbox"/> Approval <input type="checkbox"/> Administration</td> </tr> <tr> <td></td> <td></td> <td><input type="checkbox"/> Approval <input type="checkbox"/> Administration</td> </tr> <tr> <td></td> <td></td> <td><input type="checkbox"/> Approval <input type="checkbox"/> Administration</td> </tr> </table>			Name	Title	Involvement in process	Glenna Owens	Director SFSB	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration	Dexter Kishida	School Food Supervisor	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration	Lynn Hiratsuka	School Food Supervisor	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration			<input type="checkbox"/> Approval <input type="checkbox"/> Administration			<input type="checkbox"/> Approval <input type="checkbox"/> Administration			<input type="checkbox"/> Approval <input type="checkbox"/> Administration
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12. This exemption should be recommended to the Procurement Policy Board to be considered for the list of exemptions attached to Chapter 3-120 or 3-141, HAR: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																							
13. I hereby certify that the information provided above is, to the best of my knowledge, true and correct; and that all applicable statutory, administrative, policy and procedures have or shall be complied with. <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p style="text-align: center;"> Administrator's Signature & Title </p> </div> <div style="width: 35%; text-align: center;"> <p>SFSB Director</p> <p style="font-size: 1.2em;">1/27/14</p> <p>Date</p> </div> </div>																							
PART II - NOTICE OF EXEMPTION FROM PROCUREMENT																							
The school/program named below intends to exempt the goods, services, or construction (as described in the request above) from procurement for good cause. The Chief Procurement Officer is in the process of reviewing this request.																							
Inquiries and questions about this request may be directed to: <div style="margin-top: 10px;"> <p>Name/Title: Glenna Owens</p> <p>School/Program: School Food Services Branch</p> <p>Address: 1106 Koko Head Avenue</p> <p>Telephone No.: 808-737-8400</p> <p>email address: glenna_owens@notes.k12.hi.us</p> </div>	Written objections to this Notice of Exemption must be received within seven (7) calendar days from the date this notice was posted, and shall be directed to: <div style="margin-top: 10px;"> <p>Chief Procurement Officer, Department of Education</p> <p>Procurement & Contracts Branch, OFS</p> <p>94-275 Mokuola Street Room 200</p> <p>Waipahu, Hawaii 96797</p> <p>Telephone Number: 808-675-0130</p> <p>email address: DOEprocure@notes.k12.hi.us</p> </div>																						
Reserved for Procurement Office Use																							
14. Chief Procurement Officer's Comments: <div style="height: 80px; border: 1px solid black; margin-top: 5px;"></div>																							
15. <div style="display: flex; align-items: flex-start; margin-top: 10px;"> <div style="margin-right: 20px;"> <input type="checkbox"/> Approved <input type="checkbox"/> Disapproved <input type="checkbox"/> No Action </div> <div style="flex-grow: 1;"> <p style="text-align: center;">Kathryn S. Matayoshi, Superintendent & CPO</p> </div> <div style="margin-left: 20px;"> <p>_____</p> <p>Date</p> </div> </div> <p style="margin-top: 10px;">c: Administrator, State Procurement Office</p>																							

REQUEST AND NOTICE OF EXEMPTION FROM PROCUREMENT

Item #8: Explanation describing how procurement by competitive means is either **not practicable or not advantageous** to the State

Procuring a new enterprise wide school nutrition management system by competitive means would not be practicable or advantageous to the DOE due to the following reasons:

- 1) The company which provides eTriton, Harris School Solutions (HSS), is currently the only enterprise wide school nutrition program management system provider with local technical support. Their current on island support staff (currently up to 6 available members) has built an immeasurable amount of school level experience and knowledge through years of working with individual schools, and have proven to be capable of providing a high level of responsiveness. They have established excellent working rapport with administrators and staff, and have developed extensive background knowledge of statewide cabling, network infrastructure, processes, and protocols which enables efficient engagement of DOE personnel for quick issue response and resolution. This local knowledge and previous experience has proven to be especially valuable during the installation process, resulting in smooth implementations and rapid resolutions of the inevitable "bumps in the road". Furthermore, the on island support staff provides cost effective (due to minimal travel required), in person training at the beginning and end of each school year, and makes best efforts to respond to onsite support requests the same day (for Oahu), or next day (for neighbor islands). If a new vendor is introduced at this time, they would need time and experience to build up the same level of local support and responsiveness, and their DOE systems and process learning curve would be steep, which would put additional requirements on DOE time and resources. This would also further delay implementation of corrective actions committed during SY2012-13 external and internal audits.
- 2) The additional costs related to converting to a new system, as well as the cost of non-conformance should the conversion result in the corruption of data and/or delays in data submission required for federal reimbursements.
 - eTriton is a web based, enterprise wide, management system for school nutrition programs. It is currently in use at 14 DOE school food service sites, and was created by HSS who also created the Meal Tracker Point of Service system (currently in use at 246 school serving sites). Transition of patron data from Meal Tracker to eTriton at the 14 aforementioned sites has been proven to be seamless. Since the method of data storage is proprietary to HSS, a new system would require time and effort to manually populate the household information for 60,000 household applications, costing the DOE approximately \$55,000.00 in overtime labor to re-input all data, versus utilizing eTriton which will require no re-inputting of data, and no additional costs.

- If a new system is procured, the 14 pilot schools already utilizing eTriton would need to be included in the change. This would increase overall costs and result in the abandonment of time and resources already invested in the successful pilot program.
 - Should DOE purchase eTriton, past monthly meal counts and financial data from Meal Tracker will be viewable on eTriton. If another school nutrition program management system is purchased, a Meal Tracker and eTriton license will need to be purchased and kept at the School Food Services Branch (SFSB) to recall any historical data needed for a USDA, internal or external audits at an estimated product expense of \$15,000.00. Further, it will require additional personnel time to load backed up data individually by school. On the other hand, with eTriton we will be able to review previous years' data seamlessly and with little additional effort.
 - The purchase of a unified, web based meal counting system is directly tied to corrective action for both the Coordinated Review Effort and Internal Audits conducted SY2012-2013. The sooner corrective action is completed the less likely fiscal penalties are levied against the branch, and increased oversight over operations can occur, giving SFSB accurate and timely information from each school. Accuracy of the information is important as systemic problems with the point of sale and meal counting and claiming is considered a Performance Standard 1 and can lead to withholding of reimbursements and other federal funding. In the past USDA reimbursements up to \$15 million have been withheld. It should also be noted that the state agency SFSB works closely, the Hawaii Child Nutrition Programs (HCNP), has already reviewed and accepted the reporting provided by eTriton, so any changes could also negatively affect their productivity.
- 3) The introduction of a new vendor to implement and train all 260 serving sites on a completely new system would require additional time and personnel resources which the schools and SFSB cannot afford to provide.
- When 80 schools converted to Meal Tracker to get the School Food Authority (SFA) on a unified point of service system (SY 2011-12, SY 2012-13), three (3) days per site were scheduled for training. If eTriton is purchased, only two (2) days would be scheduled as many of the school staff are already familiar with the system, and the install team has experience with the current Meal Tracker system, so they can easily relate the similarities and differences of the eTriton system. However, if a completely new system is introduced the DOE would likely have to incur approximately 260 additional training days for staff (impacting an avg. of 4 staff per serving site), further burdening school resources and increasing timelines. The potential cost of the additional training days is estimated at \$312,000 (8 hours at \$150/hr, x 260 sites). Also, School Food Supervisors and SFSB staff, who assist schools with their meal programs, would need additional training on troubleshooting problems, and building and reading necessary reports should a new system be utilized.

- Finally, a new system would need to be reviewed and approved by the TARC board which would delay efforts to address findings from the internal audit conducted in 2012-13. For all programs that require bandwidth or server space, Technology Architecture Review Committee (TARC) approval is necessary. HSS has previously presented before the TARC for the conversion to Meal Tracker and the 14 eTrition pilot schools. Preparation for the presentation took 2-3 months, working with a team of people from the Office of Information Technology Services (OITS), HSS and SFSB. HSS has a proven track record working with OITS and SFSB, which resulted in the TARC approval going very smoothly and a follow up meeting not being needed.

Item #10: A description of the school/program internal controls and approval requirements for the exempted procurement.

This request is limited to exemption from the competitive solicitation process only. All other procurement code requirements (ex. responsibility of offerors, contract, etc) will be followed. The School Food Supervisors will monitor the work of the Contractor via weekly status meetings, to include review of install progress reports. They will also conduct visits to install locations. Initially, the visits will be upon installation of the system at the first several schools, then move to a periodic and/or as needed basis as the install process normalizes.

School Food Supervisors will also certify and authorize invoices and payments. Payments to the vendor will be tied directly to the satisfactory completion of deliverables specified in the contract including an exit check list signed off by the onsite administrator of each installed location.

SFSB Director will also supervise the conversion process and provide monthly status update reports to the OSFSS Assistant Superintendent and/or the BOE, internal auditor and Hawaii Child Nutrition Programs.